Diamandis stalks 'McCall's'—P. 2 | Sales promotion roundtable—P. 38

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$2.00 a copy; $74 a year

NEWSPAPER

May 8, 1989

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

High noon for Ogilvy

Sorrell gets closer to prize

By GARY LEVIN

NEW YORK—Martin Sorrell is on the verge of claiming his biggest prize yet.

Unless Ogilvy Group managers can find an escape hatch quickly, the WPP Group chief executive is about to pull off the biggest agency takeover in U.S. advertising history, many sources say.

These sources—including Wall Street analysts, competing agencies' executives and insiders at Ogilvy and WPP—believe that Mr. Sorrell will buy the agency for $860 million, or $53 a share.

Ogilvy Group officials are scurrying to find a white knight or leveraged buy-out partner to rescue the company, but so far no takers have emerged.

Possible white knight candidates who reportedly have been in contact with Ogilvy include Japanese agency Dentsu, French bank Societe General and West German media giant Bertlesmann AG.

Ogilvy also may have contacted investment banks Lazard Freres & Co., Wertheim, Schroder & Co. and Salomon Bros. to search for white knights. Rockefeller Group, which surfaced as a possible white knight in WPP's unfriendly takeover of JWT Group in 1987, is also rumored to be exploring the Ogilvy situation.

These potential white knights have discussed buying a sizable minority or majority position in the agency, but some have mentioned exacting tough measures to boost the agency group's profit margins, which would require radically restructuring the agency.

• How U.K. analysts look at WPP's bid—Page 72
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Another twist to the Ogilvy strategy is to convince Mr. Sorrell that client conflicts between Ogilvy & Mather Worldwide and J. Walter Thompson Co. will make the deal less attractive. ADVERTISING AGE is estimating that $500 million of client business is at risk around the world *(see story on Page 74)*.

But Mr. Sorrell is giving no sign that he's concerned about losing billings; JWT suffered substantial billings losses following the WPP takeover and recovered within two years.

"He's continuing his day-to-day activities and is treating the Ogilvy situation as just another event in the life of WPP," said Robert Dilenschneider, president-ceo at Hill & Knowlton, WPP's public relations arm.

To prove the point, Mr. Dilenschneider said last week WPP quietly bought United Public Relations in Melbourne, and combined it with Hill & Knowlton there.

Most observers are betting that, when the fight is over, WPP will emerge victorious. They predict the company will increase its offer from $45 a share to $50 a share or higher.

WPP stunned the advertising world once with its $566 million hostile takeover of JWT Group in 1987.

The latest proposal was made in the form a six-page letter, sent by Mr. Sorrell late on April 28, which offered his strategic rationale for the deal. That proposal quickly was denounced by Ogilvy Chair-

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Staff photo by Doug Goodman

Martin Sorrell will own two top agency names if his Ogilvy bid succeeds.

David Ogilvy says adpeople, not accountants, should run agencies.

ON THE RECORD

David Ogilvy: 'I feel very sad'

By LAUREL WENTZ

"It's like seeing one of my children sold into slavery—my only baby," David Ogilvy said poignantly of Martin Sorrell's pursuit of the agency Mr. Ogilvy founded and loves.

"I feel very sad about it, very miserable," said Mr. Ogilvy, reached by phone at his Paris apartment last week.

"I started this agency [Ogilvy & Mather] 40 years ago with my bare hands and it's done rather well. I'm 78 years old and I've done nothing else but that for the last 40 years. I worked as a slave. I don't like the idea of a young man I never met coming in with borrowed money and buying it.

"Clients never like mergers. They hate them," he continued. "They hated it when this young man bought [J. Walter] Thompson. They don't like their accounts being sold. We know a lot of our [Ogilvy] clients don't like it. If a client doesn't like it—what are we without clients? I don't blame them."

Mr. Ogilvy said that if his doctor said he had sold his patients to another doctor, whom Mr. Ogilvy must consult for all future healthcare, "I wouldn't jump up and down with joy."

"I don't like the idea of a young man I never met coming in with borrowed money and buying it."

He said he hopes the WPP Group chief executive won't get Ogilvy. He stressed that he isn't speaking as a member of the Ogilvy Group board of directors but as "an old fogy."

Mr. Ogilvy said he didn't know whether he would be drafted to help with Ogilvy's defense. "I'll do as I'm told by the board," he said.

Mr. Sorrell has never tried to contact him as far as he knows, Mr. Ogilvy said.

Alone among the living founders of the major U.S. agencies, Mr. Ogilvy continues to influence and exhort the shop that bears his name.

"My role is rather hard to define," he said. "I'm still a director and still on the executive committee. But I don't go to the office every day. I don't work every day the way I used to. I haven't written an ad in years, my stock in trade. I send an endless stream of maddening messages [to O&M management] suggesting they do this. I don't know why they put up with it."

Mr. Ogilvy's main residence is

(Continued on Page 74)

DCI comes calling on 'McCall's'

By PATRICK REILLY

Diamandis Communications Inc. can be expected to create a "magazine powerhouse" if negotiations to buy the venerable but battered *McCall's* are successful.

DCI, the U.S. unit of Paris-based Hachette, spent the weekend in negotiations to buy *McCall's* from Working Woman/-McCall's Group, sources said. The group is a joint venture formed in 1986 by entrepreneur Dale Lang and Time Inc.

McCall's, which would become a sister publication of DCI's *Woman's Day*, is expected to sell for a minimum of $70 million, sources said.

Principals involved in the sale of the unprofitable magazine wouldn't comment on negotiations, but the announcement of DCI as new owner of the 113-year-old *McCall's* is expected early this week.

Sources said Mr. Lang and Time Inc. would maintain their joint-venture agreement to publish the group's other magazines, *Working Woman* and *Working Mother*.

In joining *McCall's* with *Woman's Day*, DCI is expected to create a strong platform for advertisers in the hyper-competitive women's service magazine field.

McCall's 5.1 million paid circulation is heavily subscription based, while *Woman's Day's* 5.6 million circulation is virtually all single-copy sales.

"For us, it really makes sense to pick up *McCall's*," said a high-ranking DCI executive who asked not to be identified. "*McCall's* in combination with *Woman's Day* would be a powerhouse; it would look terrific."

The executive noted, however, that "when you are dealing with several partners, it gets touchy. It's going to be a long weekend."

Charles Elbaum, a magazine consultant, said the Hachette unit's purchase of *McCall's* could be a needed antidote to rampant rate negotiation in the women's service field.

"Possibly Hachette can bring some rate integrity back into the category," said Mr. Elbaum, senior VP, Periodical Studies Service. "With a larger portion of the field, Hachette could have the leverage to do that."

Time Inc.'s involvement in *McCall's* had been considered a safe way for the company to enter women's magazines. But Time Inc. is thought to have been unhappy lately.

Reginald Brack, president, Time Inc. Magazine Co., wouldn't comment on rumors of the sale, but sources close to the deal said Mr. Brack was eager to unload *McCall's*.

In recent months, *McCall's* regained many of the ad pages it lost in a disastrous 1988. Last year, ad pages dropped 9.7% to 1,035; for the first quarter of this year, pages were up 12% to 257. But sources close to the magazine attributed this year's surge in ad pages to selling off the rate card by as much as 70%.

After the sale, *McCall's* will need some fixing up on its editorial and business side. As of Dec. 31, its paid circulation totaled 5,142,463, a drop of 3.9% from 1987. Industry observers also said the editorial quality of the magazine has dropped in recent years.

"*McCall's* is not profitable, but it's still a good franchise," said Neal Vitale, VP, McNamee Consulting Co. "With the right combination of people, you can revitalize the product. At one point, *Ladies' Home Journal* was in the same position, but the right people turned it around."#

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Vol. 60, No. 20—ADVERTISING AGE (ISSN 0001-8899) is published weekly except semiweekly the fourth week in March and the fourth week in September at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy, $74 a year, $124 two years. Add $115 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; JOHN HUFFMAN, fulfillment director; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207 1-800-992-9970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, O. 45402 (800 227-4908).

Faberge eyes Minnetonka

By PAT SLOAN

NEW YORK—Faberge Inc. is emerging as a front-runner in the contest for Minnetonka Corp., the Minnesota-based marketer of Calvin Klein cosmetics.

Faberge Chairman Dan Manella flew to Minneapolis last week to meet with Minnetonka management. Sources said he has made the highest bid in a group of prospective buyers believed to include Moet Hennessy, Shiseido, Revlon and, possibly, Unilever.

Mr. Manella confirmed he visited Minnetonka, but said he has "no idea" if Faberge's bid was the highest offered.

Faberge and Unilever recently broke off negotiations for the sale of Faberge's beauty business to Unilever (AA, May 1).

Mr. Manella last week said Faberge was offering a bid for a second company, but he declined to identify it. He said the company wasn't Avon Products or its retail division, made up of Parfums Stern and Giorgio Beverly Hills.

Avon has been targeted by investor Irwin Jacobs and Amway Corp. Mr. Jacobs and Amway joined to buy 10.3% of Avon and told the Securities & Exchange Commission they may seek control of Avon.

Unilever is said to be interested in Avon, especially its retail division. Revlon also has been rumored to be interested in Avon.

Avon doesn't appear amenable to a takeover.

"I want to make it clear Avon is not for sale," Chairman Jim Preston said at last week's annual meeting. "We believe that Avon can provide the best value to shareholders by remaining independent." At the meeting, Mr. Preston said no offer had been received by Avon.

Jack Salzman, household products analyst, Goldman Sachs & Co., said he believes Unilever will look hard at any acquisition opportunity that would fit with its three main product categories: foods; soaps and chemicals; and personal care.

David Lustig, Unilever U.S. public affairs manager, wouldn't say what companies Unilever is studying. Industry analysts have suggested that besides Avon and Minnetonka, Unilever may be interested in RJR Nabisco food divisions and parts of Beecham Group.#

Laurie Freeman in Washington contributed to this report.

Nielsen ratings hit home videos in fall

By WAYNE WALLEY

Ratings for videocassette rentals, often touted as the solution for turning home videos into an advertising medium, will become a reality this fall.

Nielsen Media Research is testing a system that measures viewership of prerecorded cassettes and expects to offer a regular ratings report by September.

Agency executives are welcoming the service because it will make measurement of videocassette viewership comparable to that for TV. That could make the use of movie videos more palatable for advertisers by giving ad agencies a way to justify the cost in their media planning.

"This is not an evolution, but a revolution [in research]," said Paul

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Convenience stores push fast-lane pace

Competing for working women and more upscale types creating a new form of venue

By David J. Wallace

The disintegration of the traditional American family is partly responsible for the new attention marketers are giving to the convenience store. Working mothers and time-pressed young professionals have made convenience the consumer buzz word.

In a 1988 Food Marketing Institute study, convenience-related criteria were key to consumers' store selection. Convenient location was ranked as important by 92% of the respondents; fast checkout garnered 88%; convenient store layout appealed to 78%.

With an eye on changing consumer lifestyles, convenience-store retailers are restructuring store management and merchandising. And suppliers are adapting marketing, packaging and inventory planning to serve this retail category.

A 1988 survey commissioned by Conde Nast Publications on the female American food buyer, found that although 91.9% of women say they do most of their shopping in traditional supermarkets, 35% say they do some food shopping in the convenience store—the second-highest category—and that number is growing.

Overall sales in the convenience-store industry climbed to $39.6 billion in 1987, a 10% increase from a year earlier, according to National Association of Convenience Stores. While marketers are taking note of this growth, serving the convenience-store trade means more than adding the stores to the list of retail-distribution outlets.

Christopher Vroom, an analyst with Alex. Brown & Sons, says companies will succeed by adding marketing and packaging divisions to deal specifically with the convenience-store trade.

Geo A. Hormel & Co. is giving special attention to convenience stores. According to Dan McHugh, Hormel's pricing information coordinator and former national sales manager for convenience stores, the company tailors its marketing efforts to the small store because it serves a different customer.

"By and large, it's point-of-purchase-driven advertising," Mr. McHugh says. Noting that convenience-store customers spend an average of three minutes in the store, he says people have to decipher a jumble of banners, shelf tags, mobiles, displays and other in-store marketing efforts. People may make impulse purchases once inside the store, but are less likely to be affected by advertising than supermarket shoppers, he adds.

"It's a right-now kind of thing," Mr. McHugh says. "Convenience stores are getting more into fast-food and you see tie-ins like 'Buy a hot dog, get a Coke.' "

According to Fred Hadtke, VP-structural packaging, ListerButler, a marketing communications and design company, the biggest obstacle for marketers is dealing with space constraints. "The basic problem for manufacturers in the convenience store is that there is so little space given to each product," he says.

Since 1987, Sara Lee Corp. has brought single servings of danish and cakes to convenience stores. This year, the company will introduce three flavors of individual-serving pies for the convenience-store customer, says Peg Ransom, PR manager of Sara Lee Bakery.

One element generating greater manufacturer interest in convenience stores is improved product movement data. Anheuser-Busch Cos., an active player in the convenience-store category, uses supermarket data from Nielsen Marketing Research's Scantrack and Information Resources Inc.'s Infoscan system.

While the research generated is useful, Kevin Stadler, director-retail systems for A-B, says it is considered a "soft benefit" at convenience-store level. The biggest plus is that scanners speed up the checkout process, he says.

Mr. Stadler says beer is more likely to be a planned purchase at a convenience store than at a supermarket. He says A-B works with convenience-store chains to develop tie-ins, promotions and other marketing efforts because beer is a crucial convenience-store commodity.

"At a convenience store, beer sales are more important to the total bottom line than at a supermarket," he says. "It may be 2% to 4% of total profits at a grocery store, but it's 20% to 25% at a convenience store."

In terms of actual purchases, beer is a big seller, averaging 13.6% of all non-gas convenience-store purchases in 1987, according to the NACS. Soft drinks accounted for 9.7% of all purchases, fresh sandwiches 13.1%. Tobacco commands 20.7% of purchases.

Mr. Vroom says the typical store customer is an 18-to-30-years-old, blue-collar male. Although this group indexes high in consumption of many convenience-store products, he says the potential of the "new" convenience-store customer attracts many suppliers today.

Retailers also are aware of the demographic and lifestyle changes working in their favor. Circle K, a chain with more than 4,600 stores, is upgrading its stores to improve their appeal.

Although the company did not have a specific demographic in mind when planning the redesign, Jack Nietzel, Circle K's senior VP-marketing services, admits the "upgraded color schemes and design touches make the stores more attractive and inviting. This is especially important to our women customers."

According to Chris Ebel, execu-

David J. Wallace is a Philadelphia-based free-lance writer.

Consumers pick their spots

Convenience stores may be getting more attention from manufacturers, but consumers still shop primarily at supermarkets. According to the Food Marketing Institute, the top-selling C-store category is tobacco. However, only 7% of respondents buy tobacco at C-stores compared with 26% at supermarkets. Toys represented the only category in which C-stores bettered supermarkets. But C-store owners should not lose heart. Research Performance Inc. conducted a survey of 200 "decision makers" attending the 1988 National Restaurant Association's Restaurant, Hotel-Motel Show and found 35% feel the C-store sector would experience its greatest growth in the 1990s. Only chain restaurants, at 42%, topped the format.

Instant data gratification

By Christy Fisher

In the convenience store business, timing is everything.

With this in mind, Nielsen Marketing Research launched Scantrack Convenience Store Service in March, giving grocery marketers what they want—up-to-the-minute sales information from the small size stores.

While scanner data has been available from supermarkets for more than a decade, Nielsen's service represents the first large-scale effort by a market researcher to track convenience-store sales. Information Resources Inc., another market researcher, plans to expand its Infoscan service into the convenience format later this month, according to Bob Bregenzer, IRI senior VP-corporate communications.

Nielsen launched the service in Dallas, and will collect information on product movement in Los Angeles beginning this month. Participating chains include Southland Corp., National Convenience Stores, and a number of smaller chains. According to Bill McNair, Nielsen's communications manager, 30 sample stores are using the optical scanning cash registers and computers.

Although convenience stores make up only 8% of total grocery sales, the information is particularly significant to candy, snack, soft drink, beer and tobacco marketers because a large percentage of product sales are made through these outlets, Mr. McNair says.

With data from the point-of-sale scanners, Nielsen and IRI will track product movement and buying influences, such as advertising, promotion and discounting.

Kevin Stadler, Anheuser-Busch Cos. director-retail systems, says accuracy and speed are the most important offerings of the new technology. He says A-B uses scanner data in conjunction with consumer demographics to formulate the company's promotion schedule.

"Before, you had spot-sample audits that were not nearly as accurate," Mr. Stadler says. "The margin of error might be 10% to 15%, but it could be 5% or less with a scanner." □

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tive director-market research at *Convenience Store News*, convenience stores are looking to broaden their appeal and improve their image with affluent segments of the population. "They're not going upscale, but they are upgrading," he says. "They're going after working women and a higher class of customer."

Donald Price, VP-purchasing and marketing for Wawa Inc.'s Wawa Food Markets, which operates 450 stores along the Eastern Seaboard, says convenience stores are moving away from the 18-to-30 year-old blue-collar male. "Every year for the rest of the century there are going to be less and less of them," he says.

Gallup Organization studies have yet to register the new demographics of the convenience-store customer, but says in-store changes reflect what the studies have yet to show, Mr. Ebel says.

"They've gotten rid of video machines and cleaned up the stores to avoid the image as a hangout for kids," he says. Improved parking, security, lighting and more competitive pricing are other indications of an awareness of changing consumer demographics, he adds.

NACS surveys confirm these trends. For example, the number of stores with videogames has fallen to just more than 50% from 73%. Stores offering banking services, videocassette rentals and gourmet foods-to-go are on the rise.

Mr. Price thinks independent and small stores will move faster in these segments than their chain counterparts. "Chain stores are more opportunistic," Mr. Price says, adding they will stock "whatever's hot this week," rather than offer riskier items such as produce, deli sandwiches and other high-cost, labor-intensive merchandise.

"Convenience stores are getting more into fast-food and you see tie-ins like 'Buy a hot dog, get a Coke.' "

Dan McHugh
Geo A. Hormel & Co.

Retailers are just as intent about perfecting marketing and merchandising strategies. Southland Corp. now uses a "Monthly Product Movement" analysis to track the 3,000 different items in an average 7-Eleven store, says Don Cowan, Southland's product publicity manager. That information is shared with distributors and marketers.

"Our intent is to make stores more neighborhood specific. In El Paso, Texas, we have a jalapeno hot dog that might not sell well in Washington," he says.

The availability of product information may spur major changes in the convenience-store industry, Mr. Cowan says. "You're going to have some manufacturers that are in the decline of a cycle and maybe can make their product live a while longer by using regional [convenience-store] sales."

Mr. Nietzel gives suppliers a lot of credit for bringing the convenience-store industry up to date. "It's really the industry that supplies [convenience stores] that's helping us change," he says. "We've got more space devoted to juice today than ever before, and that's not because we said juice is important, but because consumers said juice is important, and suppliers are supplying more of it.

"We're nothing more than a giant distributing arm." □

Future store? It's . . .

. . . *black-and-white for format leader, A&P's James Wood*

By Kristine Stiven

Store formats are being completely overhauled in an effort to get consumers in more often and out more rapidly—and making the journey in between enjoyable.

A&P, which operates 976 stores primarily in the East and Southeast, has gained a reputation for developing successful store formats.

A&P Chairman-CEO James Wood, the engineer of the format revolution, discusses store design and meeting changing consumer needs.

ADVERTISING AGE: *What is the hot format for the 1990s?*

Mr. Wood: The emphasis at this time at A&P is on the superstore format.

We have two types of superstores: the Futurestore and the Savacenter. Both are primarily food stores with some [health & beauty aids] and some general merchandise. But you won't find TVs and refrigerators in our stores.

The Futurestore has a black-and-white design format. It's got expanded deli, floral, bakery and boutique departments. It's definitely an upscale look, a futuristic approach, very chic. Gourmet selections are much in evidence as well. We build these stores in affluent areas where the customers are looking for this kind of merchandise and willing to spend this kind of money.

The A&P Savacenter is also 40,000 square feet or more and also has a wide selection. The Savacenter is much more promotional in character, with a heavy price orientation. We're building these in areas where we compete with discount operations, warehouses and the like.

AA: *Has this move affected your existing stores?*

Mr. Wood: Our conventional stores are all around 30,000 square feet and although they're not going to be expanded, they've all been remodeled. The other format we're promoting is the Food Emporium, which offers a full range of grocery products but has a specialty gourmet emphasis. There's lots of prepared foods, lots of gourmet prod-

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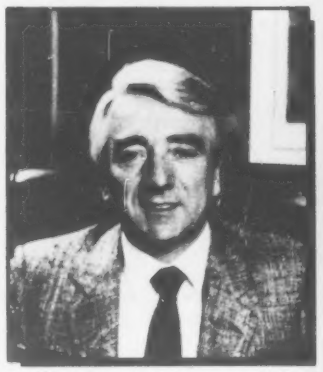

A&P's James Wood looks to a time of superstores and super-combos.

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Coupon Users	1,161,600	47%	31%

It's a sizable audience too. The Times is Tampa Bay's largest newspaper, delivering 44% of the nearly 1.6-million adults living in the four-county metro area and 49% of adults on Sunday. That's an audience larger than Tampa Bay's other two dailies combined. And 95% of the Times circulation is concentrated within the metro, so there's little waste distribution.

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SATURDAY
St. Petersburg Times
George Bush sworn in: 'We have work to do'
Bundy talks to police
Engine falls off 737 jet in Chicago

St. Petersburg Times
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Calendar

MAY

May 13-17, **International Mass Retail Association**, annual convention, Marriott's Orlando World Center, Orlando, Fla. (212) 354-6600.

May 16, **American Marketing Association**, "How to Profit in a Crowded Marketplace" conference, Plaza Hotel, New York, (212) 687-3280.

May 16, **Institute of Outdoor Advertising**, 47th OBIE Awards presentation, Parsons School of Design, New York, (212) 986-5920.

May 16, **International Radio & Television Society**, annual meeting/-Broadcaster of the Year Luncheon honoring Larry King, Waldorf-Astoria Hotel, New York, (212) 867-6650.

May 16-19, **Council of Sales Promotion Agencies**, "Decisions That Make or Break Agency Profitability," biannual meeting, L'Hotel, Toronto, (203) 325-3911.

May 17, **Chemical Communications Association**, May meeting, La Veranda Restaurant, New York, (212) 697-5600.

May 17-18, **1989 Direct Marketing Day,** New York Hilton, (203) 964-0365.

May 17-20, **American Association of Advertising Agencies**, annual meeting, Greenbrier Resort, White Sulphur Springs, W. Va., (212) 682-2500.

May 18, **American Marketing Association**, "1989 Financial Services" conference, Knickerbocker Hotel, Chicago, (312) 469-1770.

May 18, **American Marketing Association**, "Getting Results from Special Event Sponsorship" program, Seagram Building, New York, (212) 687-3280.

May 21-24, **National Cable Television Association**, 1989 national show, Convention Center, Dallas, (202) 775-3606.

May 21-24, **Treasure Chest Advertising Co.**, 34th Annual Locally Edited Sunday Magazine Advertising Conference, Inn on the Park, Houston, (816) 234-4223.

May 22-24, **Association of National Advertisers**, creative advertising, media strategy and promotion strategy seminars, Stouffer Westchester Hotel, White Plains, N.Y., (212) 697-5950.

May 22-26, **Magazine Publishers of America**, Spring Congress, Hilton Hotel, New York, (212) 752-0055.

May 24, **Direct Marketing Association**, Marketing Council Luncheon, Yale Club, New York, (212) 689-4977.

May 25, **Magazine Publishers of America**, Stephen E. Kelly Award, Waldorf-Astoria, New York, (212) 752-0055.

May 31-June 1, **The Marketing Institute**, Database Marketing Conference, Knickerbocker Hotel, Chicago, (212) 883-1770.

JUNE

June 3-6, **Electronic Industries Association**, consumer electronics show, Chicago, (202) 457-4900.

June 6, **Direct Marketing Association**, List Council Luncheon Roundtables, Halloran House, New York, (212) 689-4977.

June 6, **Direct Marketing Creative Guild-West Coast**, 6th Annual Pioneer Awards Ceremony, Los Angeles Athletic Club, Los Angeles, (213) 458-2633.

June 6-7, **International Advertising Association** and **Advertising Age**, "1992: the Challenge Worldwide," Time-Life Building, New York, (212) 210-0209.

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Big dailies singing circulation blues

By IRA TEINOWITZ

The latest newspaper FAS-FAX report by the Audit Bureau of Circulations doesn't contain a lot of good news for major-market dailies.

In market after market, papers reported downturns in their Sunday or daily circulation for the six months ended March 31. A few registered slight gains.

The list of losers includes *The Wall Street Journal, New York Daily News* and newspapers in Chicago, Detroit, Milwaukee, Philadelphia, Dallas and San Francisco.

The biggest percentage loss for any big-city paper was reported by the *Chicago Sun-Times*. The paper lost 11.3% of its daily and 6.6% of its Sunday circulation.

The San Francisco *Examiner* lost 8.9% of its daily circulation.

The *WSJ*, the nation's largest paper, reported a 4.6% circulation drop. Dow Jones Co. officials had earlier indicated the decline stems from the October 1987 stock market tumble.

The figures were released just days after conclusion of an American Newspaper Publishers Association convention that focused on new ways to lure readers (AA, May 1).

"We have seen no indications in our analysis of 1988 data that circulation is declining," said Martin Casey, ANPA's director for circulation readership. "I think the concern that people were expressing at our convention is that in many markets circulation growth doesn't keep pace with population growth."

Mr. Casey said declines in metropolitan newspaper circulation may be more than balanced by gains in suburban papers.

For example, the *Los Angeles Times'* daily circulation dropped 1.2% while Sunday circulation rose 0.3%. *The Los Angeles Herald Examiner's* daily figures rose 0.3% while Sunday circulation dropped 3.2%. Meanwhile, suburban competitors the *Orange County Register* and the *Los Angeles Daily News* posted gains in both daily and Sunday sales.

In Chicago, the *Chicago Tribune's* daily circulation fell 4.4% after that newspaper and the *Sun-Times* took over distribution from independent carriers and raised daily prices a dime to 35¢. However, the *Tribune's* Sunday circulation rose 0.7%.

Officials of the San Francisco *Examiner* noted the newspaper's home delivery price was raised in January when asked for an explanation of the paper's 8.9% daily circulation drop. The *San Francisco Chronicle* also saw a 2.3% loss in daily circulation. The Sunday *Examiner & Chronicle* reported a 3.1% decline.

The *Daily News*, which reported daily circulation fell 4.1% and Sunday dropped 6.0%, said the declines were due to efforts to develop a "more efficient" circulation base.

The New York Times grew 3.6% in daily circulation and 1.0% in Sunday circulation. *Newsday* reported its daily circulation up 4.9% and Sunday circulation up 0.8%. The *New York Post's* daily circulation fell 3.6%.

The Milwaukee Journal reported a 2.9% drop in daily circulation to 275,778 and a 1.2% drop in Sunday circulation to 506,517. The *Milwaukee Sentinel* reported a 2.9% drop in daily circulation to 176,154.

In Detroit, where a joint operating agreement is pending, the *Detroit News* reported daily circulation fell 1.8% with Sunday circulation down 1.9%. The *Detroit Free Press* reported daily circulation down 2.9% while Sunday circulation fell 3.8%.

In Boston, both papers reported daily gains but Sunday slippage. *The Boston Globe's* daily circulation rose 2.3% to 509,573, but Sunday circulation fell 0.3% to 787,385. The *Boston Herald* rose 1.6% in daily circulation to 360,046 while its Sunday total fell 0.1% to 251,851.

The Philadelphia Inquirer reported a 0.8% drop in daily circulation to 500,136, but a 0.9% increase in Sunday circulation to 1,010,530. The *Philadelphia Daily News* saw daily circulation drop 1.8% to 237,822.

The Dallas Morning News reported a 0.8% drop in daily circulation, but a 1.5% rise in Sunday circulation. The *Dallas Times Herald* reported a 1.8% drop in daily circulation, but a 2.7% jump in Sunday circulation.

Both the *Houston Chronicle* and the *Houston Post* reported major gains. The *Chronicle's* daily circulation was up 3.9% to 427,844 and its Sunday circulation rose 5.9% to 585,845. The *Post's* daily circulation was up 6.6% to 322,193 while the Sunday circulation rose 5.2% to 352,847.#

NEWSPAPER CIRCULATION

Average circulation for six months ending March 31, 1989, compared with average for six months ending March 31, 1988.

Newspapers	Daily	% chg	Sunday	% chg
National				
Wall Street Journal	1,931,410	−4.6%	—	—
USA Today*	1,341,811	−0.3	—	—
Washington				
Post	812,419	+0.3	1,149,856	+1.5
Times	103,652	+8.3	—	—
Baltimore Sun**	402,242	−1.4	485,269	+1.0
New York				
Times	1,117,376	+3.6	1,663,530	+1.0
Daily News	1,230,186	−4.1	1,526,413	−6.0
Newsday	697,509	+4.9	707,787	+0.8
Post***	535,407	−3.6	402,136	n.a.
Chicago				
Tribune	740,154	−4.4	1,137,447	+0.7
Sun-Times	554,670	−11.3	595,311	−6.6
Detroit				
Free Press	629,275	−2.9	693,943	−3.8
News	676,025	−1.8	820,655	−1.9
Denver				
Rocky Mountain News	365,493	+2.4	411,023	−3.4
Post	241,386	+4.7	401,843	−1.9
Dallas				
News	359,976	−0.8	534,843	+1.5
Times Herald	222,147	−1.8	333,713	+2.7
Los Angeles				
Times	1,119,840	−1.2	1,423,310	+0.3
Herald Examiner	238,392	+0.3	183,122	−3.2
Daily News	183,402	+5.0	201,533	+4.4
Orange County Register	344,965	+6.1	392,695	+6.2
San Francisco				
Chronicle	556,196	−2.3	—	—
Examiner	135,444	−8.9	—	—
Examiner & Chronicle	—	—	700,969	−3.1

Notes: *USA Today listed 1988 figures on Monday through Friday basis and 1989 on Monday through Thursday basis. USA Today says its Friday sales averaged 1,669,121 for the period, 24.4% above the other four-day average. **Baltimore Sun daily circulation combined AM & PM editions. ***New York Post began its Sunday edition March 5, 1989. Source: Audit Bureau of Circulations FAS-FAX report.

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